



U.S. TRADE IN PERSPECTIVE

U.S. Department of Commerce, International Trade Administration, Trade Development

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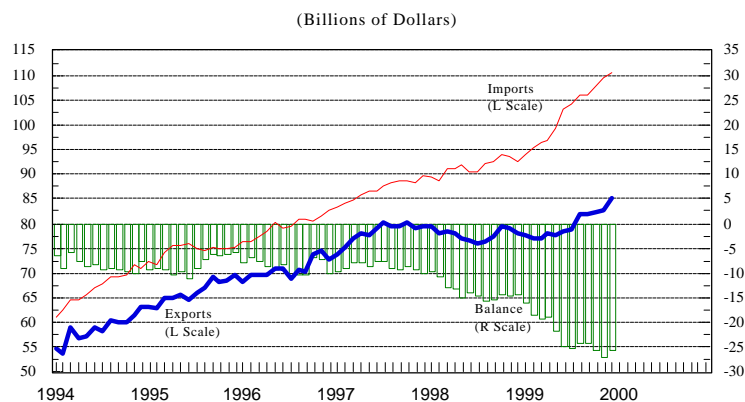
U.S. Exports, Imports and Trade Deficit Set Records in 1999

Recent Developments: Both U.S. exports and imports of goods and services rose, while the trade deficit fell, in December. For the full year, U.S. exports, imports and the trade deficit set records.

1999 Trends: For the full year, exports were up 2.6 percent, while imports were up 12.0 percent from 1998. The deficit in 1999 was \$271.3 billion, compared with \$164.3 billion in 1998.

U.S. merchandise exports of \$61.7 billion were a record in December--with increased sales in capital goods and consumer goods. Imports of \$93.2 billion were also a record--with new records in capital goods, consumer goods, food and beverages, industrial supplies and automotive vehicles and parts.

U.S. INTERNATIONAL TRADE



The annual U.S. trade deficit as a share of the gross domestic product (GDP) was 2.9 percent in 1999, still below the record of 3.2 percent in 1987. U.S. imports soared largely because of an exceptionally strong domestic economy. U.S. exports are now rising as economic conditions abroad are improving.

--U.S. exports to Mexico (\$86.9 billion) and imports (\$109.7 billion) were records in 1999.

--U.S. exports to Japan (\$57.5 billion) in 1999 were the lowest since 1994 (\$53.5 billion).

--U.S. imports from China (\$81.8 billion), and imports from Western Europe (\$213.2 billion) were records in 1999.

--In 1999, U.S. exports (\$200.0 billion) and imports (\$180.6 billion) of advanced technology products were records.

U.S. Merchandise Trade with the World:

In 1999, the largest U.S. trade deficits were with Japan, China, Canada, Germany and Mexico. These countries combined accounted for two-thirds of the U.S. merchandise trade deficit in 1999. The largest increase in the U.S. trade deficit in 1999 occurred with Canada (\$15.4 billion) and the second largest increase was with China (\$11.8 billion).

Country	Exports (\$ bill); % change	Imports (\$bill); % change	Deficit (\$bill)
Japan	57.5; -0.6	131.4; +7.8	73.9
China	13.1; -7.9	81.8; +14.9	68.7
Canada	166.2; +3.1	198.3; +14.5	32.1
Germany	26.8; +0.5	55.1; +10.5	28.3
Mexico	86.9; +10.3	109.7; +15.9	22.8

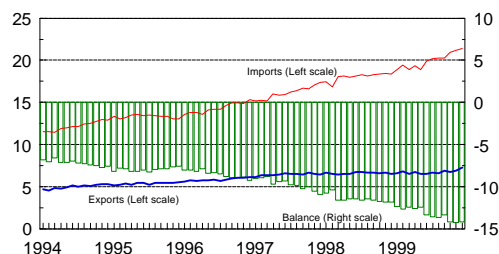
Note: The percent changes are for the full year 1999 compared with 1998.

The U.S. trade deficit with the Western Hemisphere was \$58.1 billion in 1999 - three times the level in 1998. The U.S. trade deficit widened by \$16.4 billion with the European Union, and by \$38.2 billion with Asia where the deficit is by far the largest.

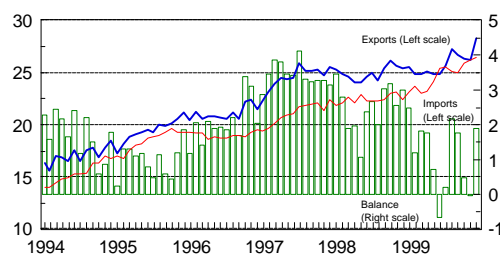
U.S. international trade by sector:

The U.S. merchandise trade deficit rose because of a continued increase in the price of crude oil, and a surge in imports of consumer goods, motor vehicles and industrial supplies and weak export markets. For the full year 1999, exports of consumer goods were up 1.7 percent from a year ago, while imports were up 10.7 percent. Trade was in deficit \$159 billion, compared with \$137 billion in 1998. Exports of capital goods were up 3.7 percent from 1998, while imports were up 10.1 percent. Trade was in surplus \$13.7 billion in 1999, compared with \$30.0 billion a year ago.

Consumer Goods
(Billions of dollars, Monthly Rate)



Capital Goods
(Billions of dollars, Monthly Rate)



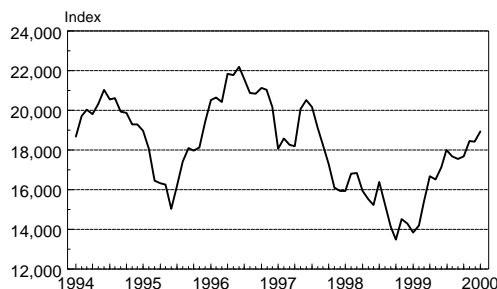
World Stock Markets

In the United States, Canada, and Mexico stock markets have risen dramatically in recent years in response to continued economic growth. A similar pattern is seen in Western Europe. However, in Asia and in South America, markets have struggled and performance has been spotty.

In **Japan**, the Nikkei stock market index has risen sharply, but remains well below early 1996 levels and is still only half the level of the early 1990s. Investors' optimism in the stock market recently has been fueled by the continued expansion of the manufacturing sector, on corporate restructuring, and the growth in technology businesses.

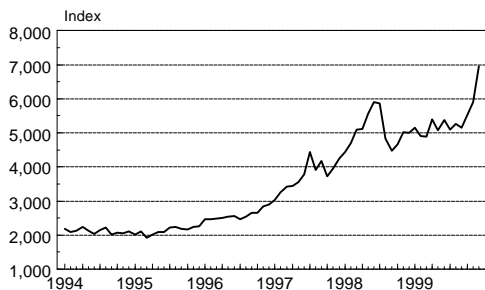
Driven by improving economies, stock markets in **Hong Kong, Taiwan, and Singapore** have climbed back to earlier highs. The **South Korean** economy grew 10 percent last year, after contracting 6

Nikkei 225 Stock Index



percent in 1998. The stock market has rebounded, but has not moved decisively the earlier peak. The **Malaysian** and **Philippines** stock markets remain well below earlier highs and the **Thai** stock market has yet to recover.

Frankfurt Xetra DAX



Germany enjoys a trade surplus with the world. Unemployment is coming down, while inflation remains below 2 percent. Because of improving economic conditions, the stock market in Germany has been rising since 1994. Stock markets in **France, Italy, Spain, and the United Kingdom** have also set new records recently.

The **Canadian** economy grew around 4 percent in 1999. The unemployment rate has been on a downward trend. Inflation remains contained. A healthy economy has led the Toronto stock market to set a new record. The **Mexican** stock market has also skyrocketed on positive economic developments. The **Brazilian** economy grew 0.8 percent in 1999 and the stock market has rebounded nicely. Markets in **Argentina and Chile** have not recovered to earlier highs, as yet.

Rio De Janeiro Stock Market

